

**TOWN OF FAYAL**  
**4375 SHADY LANE, EVELETH, MN 55734**

*Heidi M. Coldagelli, Clerk/Treasurer*

*Anthony Tammaro, Chairman*

*Supervisors: Lee Branville, Mark Chad, Richard Sather, Patrick Ziegler*

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**REGULAR MEETING OF THE FAYAL TOWN BOARD**

**MARCH 2, 2021**

The Regular Meeting of the Fayal Town Board of Supervisors was called to order at 7:00 PM by Chairman Tammaro. Present were: Chairman Tammaro, Supervisor Branville, Supervisor Sather, Supervisor Ziegler and Clerk/Treasurer Coldagelli. Supervisor Chad arrived at 7:08. Chairman Tammaro led with the Pledge of Allegiance.

Audience member Steve Shykes arrived at 7:23.

***Motion to approve the minutes of the Regular Town Board Meeting of February 16<sup>th</sup>, 2021, made by Supervisor Branville, support from Supervisor Ziegler. Chairman Tammaro abstained. Motion carried.***

**SCHEDULED GUESTS**- None at this time.

**AUDIENCE CONCERNS**- None at this time.

**REPORTS**-

**Clerk/Treasurer's Report**- For the period of January 1, 2020 through December 31, 2020:

**General Fund**- Beginning balance was \$357,854.24. There were \$306,438.85 in revenues and \$252,930.31 in expenditures. Revenues included \$45,092.32 levy, \$14,512.53 fiscal disparities, \$724.50 market value, \$45,504 excess school levy, \$1,412.76 lodging tax, \$1,860 assessment certifications, \$20.00 dog licenses, \$29,952.66 for CARES Act grant, \$999.00 local government aid, \$3,635.00 taconite production tax, \$50,000 township fund, \$1,737.62 unmined taconite, \$30,806.00 for taconite municipal aid, \$36,789.71 taconite credit, \$2,505.00 fiscal reductions, local grant of \$1,595.00, penalties and interest of \$2,547.01, miscellaneous revenues of \$2,869.92, county grants of \$1,107.00, \$440.00 refunds and reimbursements, Miners Bank interest of \$2,328.82 and \$30,000.00 transfer in from Fayal Water Company, Fayal Sewer Company and Road & Bridge for employee benefits to be transferred to the Employee Benefit CD. Expenditures included the transfer of \$40,000.00 to the Employee Benefit CD and transfers to the Fire Department for \$8,000.00 to bring that fund whole, leaving a General Fund balance of \$411,362.78.

**Buildings & Grounds**- Beginning balance was \$0, revenues received were \$53,000.00 in levy funds, \$20,000.00 from 2020 Mining Effects, \$894.28 for CARES Act grant reimbursements and \$450 in Town Hall rent, for a total of \$74,344.28 in revenues. Expenditures were \$72,714.60, leaving a reserve of \$1,629.68. In 2021, Buildings & Grounds is responsible for their portion of the Certificate of Indebtedness payment for \$20,759.65, which will be paid by the excess school levy funds that were deposited into the General Fund in 2020.

**Town Hall**- Beginning balance was \$60,000.00. Revenues were \$10,000.00 in levy funds, leaving a reserve of \$70,000.00.

**Public Safety**- Beginning balance was \$5,000.00. Revenues were \$5,000.00 in levy funds, leaving a reserve of \$10,000.00.

**Police**- Beginning balance was \$10,941.04. Levy funds received were \$50,000.00, fines and forfeits received were \$2,355.66 and \$15,000.00 from Capital Equipment for total revenues of \$67,355.66. Expenditures were \$62,542.96, which included a \$15,000.00 contribution towards a new police vehicle, leaving a reserve of \$15,753.74.

**Fire Department**- Beginning balance was \$4,936.53. Revenues were \$75,000.00 in levy funds, CARES Act grant of \$1,090.46, Mining Effects of \$34,360.00, DNR fire grant of \$1,851.62, State fire aid of \$14,252.28, local grant of \$66.87, State fire grant for Fire Department Shared Services training of \$3,047.60, refunds and reimbursements of \$4,426.00 and a transfer from the Capital Equipment Fund for the water tender payment of \$25,000.00 and a transfer in from General for \$8,000.00 for a total of \$167,094.83 in revenues. Expenditures were \$173,931.97, leaving a negative reserve of \$1,900.61.

**Recreation**- Beginning balance was \$21,629.78. Revenues were levy funds of \$27,000.00, for total revenues of

\$27,000.00. Expenditures were \$25,381.76, leaving a reserve of \$23,248.02.

**Capital Equipment-** Beginning balance was \$164,084.51. Revenues were \$75,000.00 in levy funds, expenditures were \$73,869.83, leaving a reserve of \$165,214.68.

**Mining Effects-** Beginning balance was zero. Revenues received were Mining Effects 2020 of \$54,360.00 Expenditures were: transfer to Fire Department for turn out gear of \$10,000.00, transfer to Building and Grounds to assist with the parking lot payment for \$20,000.00 transfer to the Fire Department for radios for \$24,360.00, leaving a reserve in this fund of \$0.

**Road & Bridge-** Beginning balance was \$150,443.24. Revenues were \$262,800.46 in levy funds, fiscal disparities of \$11,347.47, unmined taconite of \$1,358.89, taconite credit of \$28,771.46, town road aid of \$20,427.05, refunds and reimbursements of \$1,956.22, culvert sales of \$421.02, transfer in for eligible CARES Grant expenses for \$12,737.60, transfer in for retiree benefits of \$11,584.39, a transfer in from Capital Equipment for the grader payment of \$20,000.00 and a transfer in from the truck reserve for \$24,336.00, for total revenues of \$395,740.56. Expenditures were \$374,576.53, leaving a reserve in this fund of \$171,607.27.

**Road & Bridge Truck Reserve-** Beginning balance was \$33,323.89. There was \$9,000.00 designated for the year and 4M interest of \$124.89. The Department purchased a vehicle utilizing \$24,336.00 of this fund for an ending balance of \$18,112.78.

Supervisor Chad arrived at this time.

**Public Utilities-** Beginning balance was \$0, Revenues received were franchise fees of \$10,105.11 and a transfer in from lodging tax of \$70.64 for total revenues of \$10,175.75. Expenditures were \$10,159.90, leaving a reserve of \$15.85.

**Employee Benefits-** Beginning balance was \$89,170.78. Revenues were a transfer in from General of \$10,000.00, Road & Bridge for \$15,000.00, Water for \$5,000.00, Sewer for \$10,000.00 and 4M interest paid of \$338.99 for total revenues of \$40,338.99. Expenditures were retiree benefits paid for the 2020 for \$29,269.15, leaving a reserve of \$100,240.62.

**Fayal Water Company Contingency-** Beginning balance was \$63,316.92, designated for the year was \$4,000.08, leaving a reserve of \$67,317.00.

**Fayal Sewer Company Contingency-** Beginning balance was \$1,893.71, designated for the year was \$9,000.00. Expenditures for pump maintenance and repair were \$4,969.93, leaving a reserve of \$5,923.78.

**Fayal Water Company Depreciation-** Beginning balance was \$96,466.84. Designated for the year was \$4,330.80 and 4M interest received was \$356.84, leaving total funded depreciation of \$101,154.48.

**Fayal Sewer Company Depreciation-** Beginning balance was \$227,497.89. Designated for the year was \$40,000.00 and 4M interest of \$874.25, leaving total funded depreciation of \$268,372.14.

**PUC Truck Depreciation-** Beginning balance was \$24,903.02 designated for the year was \$5,326.08 and 4M interest of \$89.21 for an ending balance of \$30,318.31.

**Sewer Replacement Fund-** This is a fund required by the PFA to allocate ten cents per thousand gallons of wastewater to be placed in a special sewer replacement fund. Beginning balance was \$14,085.87. The loan was paid off in 2020 and there is no longer an allocation to this Fund.

**Fayal Water Company-** For the year January 1, 2020-December 31, 2020, the Fayal Water Company had revenues of \$82,884.56 and expenditures of \$90,329.38. Reserves within the checking account are: water test fees- (\$114.99), maintenance contingency- \$67,317.00, depreciation not in 4M- \$4,330.80 and standby water fees- \$33,495.29, leaving a cash balance of \$38,907.11. This compares with a cash balance for the year of 2019 ending with \$52,690.12.

**Fayal Sewer Company-** For the year January 1, 2020-December 31, 2020, the Fayal Sewer Company had revenues of \$712,890.08 and expenditures of \$764,802.64. Reserves within the checking account are: maintenance contingency-\$5,923.78, petty cash of \$65.00, depreciation not in 4M- \$40,000.04, PUC truck depreciation not in 4M- \$5,326.08, sewer access charges \$39,427.75, leaving a cash balance of \$93,291.30. This compares with a cash balance for the year ending 2019 of \$185,921.48.

**Reconciled Balances of 12-31-2020 for all accounts:**

**As of 12-31-2019**

Miners National Bank-	\$1,155,517.57	\$1,142,288.52
Assessment Savings-	\$406,689.49	\$437,973.64
CD Savings-	\$83,999.79	\$80,945.43

4M Fund-	\$473,146.60	\$413,373.68
<b><u>Total, All Accounts</u></b>	<b><u>\$2,119,353.45</u></b>	<b><u>\$2,074,581.27</u></b>

Bank statements for the month of February have not yet been received so this report is tentative. Revenues were \$174,828.46 and expenditures were \$211,463.35. Tentative ending balances for the month of February are:

Miners Checking- \$984,930.80  
 Assessment Savings- \$413,762.72  
 CD Savings- \$557,146.39  
 4M Fund- \$0

For the month of March to date, revenues are \$494.92 and expenditures are \$80,147.31.

***Motion to approve the Clerk/Treasurer's Report, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.***

**Other Reports-**

***Motion to accept the Public Utility Commission Meeting Minutes from January 12<sup>th</sup>, made by Supervisor Sather, support from Chairman Tammaro. Motion carried unanimously.***

***Motion to accept the PUC Delinquency Report, made by Supervisor Sather, support from Chairman Tammaro. Motion carried unanimously.***

***Motion to accept the January PUC Report, made by Supervisor Sather, support from Chairman Tammaro. Motion carried unanimously.***

***Motion to accept the Planning Committee Meeting Minutes from January 20<sup>th</sup>, made by Supervisor Ziegler, support from Supervisor Branville. Motion carried unanimously.***

**CORRESPONDENCE-**

February 18<sup>th</sup>- Letter from Federal Emergency Management Agency (FEMA) in regards to updating Flood Insurance Rate Map and Flood Insurance Study report for St. Louis County. FEMA will accept comment submissions from communities and other technical stakeholders on the work maps through March 24<sup>th</sup>. Placed on file.

February 18<sup>th</sup>- Email from St. Louis County with information regarding funding allocations from the CARES Act for the programs administered by the US Department of Housing and Urban Development. Community Development Block Grants are available to prevent, prepare for and respond to COVID-19 and must also target helping low and moderate income people. The Emergency Solutions Grant is available to be used to prevent, prepare for and respond to the COVID-19 pandemic among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts of COVID-19. Placed on file.

February 24<sup>th</sup>- Email from St. Louis County Association of Townships with meeting minutes from January 27<sup>th</sup>. Placed on file.

February 24<sup>th</sup>- Memo from the Fayal Fire Department. With the retirement of Assistant Chief Bryan Sampson, the fire officer positions have changed. The new positions are Chief- Steve Shykes, Assistant Chief- Matt Hoffmann, Battalion Chief- Nick Preiner, Captain- Cory Christianson and Lieutenant- Curtis Schramm. Moved to Old Business.

February 26<sup>th</sup>- Letter from League of Minnesota Cities with information regarding a new online public safety PTSD and Mental Health Toolkit available about prevention, programs, therapies, human resource considerations and much more. Placed on file.

February 26<sup>th</sup>- Information from League of Minnesota Cities seeking nominations for 2021 City of Excellence Award, C.C. Ludwig Award & James F. Miller Leadership Award. Deadline for nominations is April 19<sup>th</sup>. Placed on file.

March 1<sup>st</sup>- Email from Range Association of Municipalities & Schools with board meeting minutes from January 28<sup>th</sup>. Placed on file.

**OLD BUSINESS**

**Supervisor Sather-**

***Motion to approve the officer positions as recommended by the Fire Department, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.***

***Fire Department Shared Services***- Subcommittee met prior to tonight's meeting and will cancel Monday's meeting. Committed to completing the Joint Powers Agreement and the budget in the next 30 days and share with the committee for the April meeting.

***Horseshoe Lake Sanitary Sewer Extension***- Awaiting the final review of the televising and 5% retainage.

***Employee Hours Proposal***- Union should have a proposal for the next meeting. Discussion regarding amount of work in the Township and staffing concerns.

Steve Shykes arrived at this time.

***Quote for Telephone/Internet***- Clerk Coldagelli still has not received a response from the account manager at Century Link. Spoke with a phone representative and they did not think that they could come close to the quote from CTC.

***Sewer Rate Increase***- Chairman Tammaro had in the beginning also not supported an increase, but in discussing with the PUC, realized it was necessary. Supervisor Ziegler had an opportunity to look at the financials and agrees that balances are dwindling.

***Motion to approve the PUC recommendation of a \$2.00 rate increase to residential and commercial customers, made by Supervisor Sather, support from Chairman Tammaro.*** Supervisor Ziegler recommended using our Depreciation Fund and other funds for repairs in order not to deplete our Sewer Fund. ***Motion carried unanimously.***

***Motion for Clerk Coldagelli to notify the residents with an effective date of May 1, payable on the June billing, made by Chairman Tammaro, support from Supervisor Sather. Motion carried unanimously.***

***Depreciation Funding for 2021***- PUC made a motion to stop funding depreciation on a monthly basis and assess at year end.

***Motion to approve not funding depreciation monthly and assess at year end, made by Supervisor Sather, support from Chairman Tammaro. Motion carried unanimously.***

**Supervisor Chad**-

***Old Bullfrogs Building***- No update from last meeting. Still in the court system.

***Commission Vacancies- Channel 12***- Commission reached out that they are needing membership from Fayal as they are running into quorum issues. Chairman Tammaro for the time being will volunteer, but need to continue to seek a member.

***Motion to appoint Chairman Tammaro to the Cable Commission, made by Supervisor Ziegler, support from Supervisor Branville. Motion carried unanimously.***

***COVID-19 Update***- No updates at this time. Chief Steve Shykes questioned rules for the Town Hall use. The Fire Department would like to utilize the Hall for their spaghetti feed with curbside service at the end of April. Chief Shykes will discuss with the Fire Department.

***MnDOT Relocation***- The City of Eveleth is listing the property with a real estate agent.

**Supervisor Ziegler**-

***Dump Truck Specifications***- Supervisor Ziegler needs to meet with Foreman Latvaaho.

**Chairman Tammaro**-

***2020 Local Road Improvement Grant Program***- SEH had not included the Thunderbird Trail East cost into the engineer's estimate. Clerk Coldagelli will submit the grant paperwork on 3/3.

***Motion to amend Resolution 2021-03, A Resolution to Submit Application to the 2020 Local Road Improvement Program to include the cost changes to Thunderbird Trail and Differding Point roads, made by Supervisor Ziegler, support from Supervisor Branville. Motion carried unanimously.***

**NEW BUSINESS**

***New Employee Probationary Period***- New employee, Richard Bieganek has successfully completed his probationary period and has been doing a good job.

**Motion that employee Richard Bieganek successfully completed his probationary period effective 2/26/2021, made by Supervisor Sather, support from Supervisor Chad. Motion carried unanimously.**

**Quote for Heat Detectors**- The alarm system is having an issue with a heat sensor in the Fire Hall and it is difficult to access. Unsure how old the system is and the heat detectors are significantly past their 15 year useful life. There is an issue regarding all sensors hardwired and on one zone. A quote was provided by ESC Systems to replace all 18 heat sensors for \$1,792.48 or just the single heat sensor for \$486.58. Supervisor Branville would like to check into an updated system and get a quote if we need additional services. Also to check with insurance regarding requirements. It was also discovered that since 2009, the Township has not been charged the annual service fee of \$258.00 from ESC Systems.

**Motion to look at other systems available and costs, made by Supervisor Branville, support from Supervisor Ziegler. Motion carried unanimously.**

**Board of Appeal Meeting Format**- Discussion that last year's format worked well.

**Motion to require written appeals only, made by Supervisor Ziegler, support from Supervisor Branville. Motion carried unanimously.**

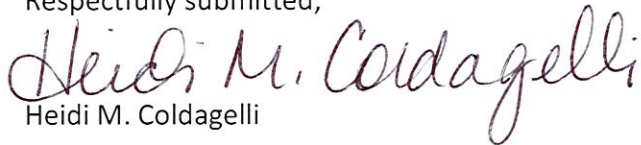
Annual Meeting is next week with in person and Zoom options available. Clerk Coldagelli also has not received a draft audit yet from the Auditor.

**Motion to pay the claims in the amount of \$92,727.29, made by Supervisor Branville, support from Supervisor Sather. Motion carried unanimously.**

**Motion to adjourn, made by Supervisor Sather, support from Supervisor Branville.**

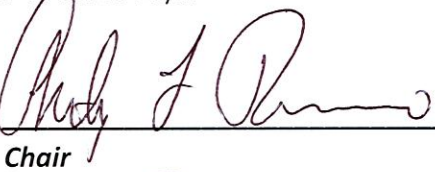
Chairman Tammaro adjourned the Regular Meeting at 7:55 PM.

Respectfully submitted,

  
Heidi M. Coldagelli

Clerk/Treasurer Town of Fayal

Approved: \_\_\_\_\_

  
Chair

Date: \_\_\_\_\_

4-6-21

Attest: \_\_\_\_\_

  
Clerk